

Monetary and exchange rate policy of the central bank of the republic of Turkey

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Abstract

© 2014, Mediterranean Center of Social and Educational Research. All right reserved. This paper evaluates the monetary and exchange rate policy of the Republic of Turkey in the period of financial liberalization, and defines the role of the Central bank in implementation of the monetary policy and maintaining price stability. We trace the development of central banking in Turkey and its interaction with government, and show the trend towards increasing the independence of Central bank of Turkey with primary responsibility for price stability. The paper also analyses the outcomes of financial liberalization and the main reasons of the financial crises.

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Keywords

Central bank, Exchange rate, Financial crisis, Inflation, Monetary policy